

III. REMARKS

Claims 1-14 are pending in this application. By this amendment, claims 1, 7, 9, 10, 12 and 13 have been amended; claims 3 and 4 have been cancelled; and, claims 15 and 16 have been added herein. Applicants do not acquiesce in the correctness of the rejections and reserve the right to present specific arguments regarding any rejected claims not specifically addressed. Furthermore, Applicants reserve the right to pursue the full scope of the subject matter of the original claims in a subsequent patent application that claims priority to the instant application. Reconsideration in view of the following remarks is requested.

Claims 3 and 4 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Applicants gratefully acknowledge the indication of allowable subject matter. Claims 15 and 16 have been added herein incorporating the limitations of the base claim (i.e., claim 1) and the limitations from claims 3 and 4, respectively.

Claims 1, 2, 7-10, 12, and 13 are rejected under 35 U.S.C. 102(b) as being anticipated by Price, et al. (US Patent No. 4,849,120), hereinafter "Price". Claims 1, 5, and 8-14 are rejected under 35 U.S.C. 102(b) as being anticipated by Jolly, et al. (US Patent No. 6,339,419), hereinafter "Jolly". Claims 6 and 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Price in view of Marx, et al., hereinafter "Marx".

With respect to claim 1, Applicants submit that both Price and Jolly fail to disclose each and every feature of the claimed invention, including “a gap between the rotary knob and the stationary part of the magnetic circuit is filled with a magnetorheologic fluid.” (See claim 1.)

With respect to the rejection under Price, all the figures in Price (i.e., Figs. 1-3) clearly show alleged fluid (i.e., ferrofluid 20) residing between two *rotating* elements (i.e., outer driving cylinder 10, inner cylinder 12). (emphasis added). There is no teaching or suggestion within Price of providing magnetorheologic fluid in a gap between a rotary knob and a stationary element of the magnetic circuit.

With respect to the rejection under Jolly, as Figs. 2A and 2B clearly show, the alleged fluid (i.e., magnetically controllable medium 34) is between two rotatable, movable elements (i.e., members 38, 40). In fact, the Office admits that elements 38 and 40 disclose a moving element. “Jolly discloses **rotary** knob 38 and/or 40.” (emphasis added) Office Action, item 3, page 2. Further, the specification buttresses the Office’s allegation. “Members 38, 40 are disposed for relative movement along the mating surfaces, such as linear or rotational motion as indicated by the arrows.” Col. 7, lines 16-18. “[B]etween **movable** members 38, 40. Thus, a variety of relative movements, such as linear, rotational, curvilinear, and pivoting, that include shear movement between two members can be controlled by a magnetically-controllable device”. (emphasis added) Col. 7, lines 56-60. There is no teaching or suggestion within Jolly of providing

magnetorheologic fluid in a gap between a rotary knob and a stationary element of the magnetic circuit.

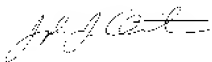
Accordingly, Applicants respectfully request withdrawal of the rejection with respect to claim 1.

The dependent claims are believed allowable for the same reasons stated above, as well as for their own additional features.

IV. CONCLUSION

In light of the above remarks, Applicants respectfully submit that all claims are in condition for allowance. Should the Examiner require anything further to place the application in better condition for allowance, the Examiner is invited to contact Applicants' undersigned representative at the number listed below.

Respectfully submitted,



Date: 9 September 2006

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